

Foreign and Commonwealth Office

Introduction

1. This Supplementary Estimate is required for the following purposes:

		Amount (£)	
		<u>Increases</u>	<u>Reductions</u>
<u>Changes in resources</u>			
RfR 1: Promoting intentionally the interests of the UK and contributing to a strong world community			
Section			
Increases:			
<u>Take up of DEL End-Year Flexibility</u>			
A2	Take up of programme EYF for departmental restructuring	22,000,000	
<u>DEL Reserve claims</u>			
A2	Claim on Del Reserve in respect of Emergency Disaster Relief	3,407,000	
<u>Take up of Departmental Unallocated Provision</u>			
A1	Take up of Administration DUP	17,000,000	
<u>Transfers of budgetary cover from other government departments</u>			
A1	Transfer of Administration Budget from Cabinet Office in respect of the Privy Council Office	14,000	
Decreases:			
<u>Transfers of budgetary cover to other government departments</u>			
A2	Transfer of Programme expenditure to HO for the Border and Immigration Office		-7,000,000
A2	Transfer of Programme expenditure to SIA for expansion and capability		-5,000,000
A2	Transfer of Programme expenditure to SIA for expansion and capability		-300,000
Neutral Changes:			
A2, A5	Increased expenditure of £60,000,000, fully offset by income, for Consular and Visa Work		
A2, A5	Increased expenditure of £2,830,000, fully offset by income, in respect of anti-narcotics work		
<u>Other changes</u>			
<u>Transfers from capital to capital grants</u>			
A3	Transfer from capital to capital grants in respect of International Subscriptions	15,200,000	
A3	Transfer from capital to capital grants in respect of Gibraltar Pensions	250,000	
A3	Transfer from capital to capital grants in respect of the Government Secure Zone	1,227,000	
		<u>Total</u>	
Total change in resources for RfR1		59,098,000	-12,300,000
			46,798,000

RfR 2: Conflict prevention

<u>Section</u>	<u>Reason for change</u>	<u>Increases</u>	<u>Reductions</u>
Increases:			
<u>Changes related to movements in budgets</u>			
<u>Transfers of budgetary cover to/from other government departments</u>			
B3	Transfer from DfID in respect of Conflict Prevention activity in Afghanistan	3,001,000	

Introduction (continued)

Decreases:		
<u>Transfers of budgetary cover to/from other government departments</u>		
B3	Transfer of programme expenditure to the SIA for expansion and capability	-3,000,000
	<u>Total</u>	<u>3,001,000</u>
	Total change in resources for RfR2	-3,000,000
		1,000

Introduction (continued)

Total change in resources for Estimate 46,799,000

Changes in Capital

<u>Section</u>	<u>Reason for change</u>	<u>Increases</u>	<u>Reductions</u>
<u>Increases</u>			
<u>Changes related to movements in budgets</u>			
<u>Take up of End Year Flexibility</u>			
A7	Take up of End Year Flexibility in respect of the FCO estate	35,000,000	
A7	Take up of Capital DUP	1,000,000	
<u>Other changes</u>			
<u>Transfers from capital to capital grants</u>			
A7	Transfer from capital to capital grants in respect of International Subscriptions		-15,200,000
A7	Transfer from capital to capital grants in respect of Gibraltar Pensions		-250,000
A7	Transfer from capital to capital grants in respect of the Government Secure Zone		-1,227,000
	<u>Total</u>	<u>36,000,000</u>	<u>-16,677,000</u>
	Total change in capital for Estimate		19,323,000

- As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £ 66,122,000.
- Symbols are explained in the Introduction to this booklet.

Foreign and Commonwealth Office

Part I

£

RfR 1: Promoting intentionally the interests of the UK and contributing to a strong world community	46,798,000
RfR 2: Conflict prevention	1,000
Total additional net resource requirement	46,799,000
Additional net cash requirement	66,122,000

SUPPLEMENTARY amounts required in the year ending 31 March 2008 for expenditure by the Foreign and Commonwealth Office on:

RfR 1: Promoting intentionally the interests of the UK and contributing to a strong world community

Expenditure by the Foreign and Commonwealth Office (FCO), including UK Trade and Investment, on its administration, Wilton Park Executive Agency, hospitality and facilities; international organisations; grants in aid to bodies supporting FCO objectives; scholarships, information services and sponsored visits; special payments and assistance programmes to support foreign policy objectives including human rights, good governance, international security and the fight against the illicit drug trade; on grant in aid to the BBC World Service for broadcasting and to the British Council; the refund of certain taxes and duties paid by certain Foreign and Commonwealth governments and international organisations; and on associated non-cash items.

RfR 2: Conflict prevention

Expenditure by the Foreign and Commonwealth Office on conflict prevention, early warning, crisis management, conflict resolution/peacemaking, peacekeeping and peacebuilding activity and on associated strengthening of international and regional systems and capacity.

The Foreign and Commonwealth Office will account for this Estimate.

Part II: Changes proposed

					£'000
Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 1: Promoting intentionally the interests of the UK and contributing to a strong world community					
Spending in Departmental Expenditure Limits (DEL)					
RfR 1 - A Administration, programmes and international organisations subscriptions	1,124,886	109,628	62,830	46,798	1,171,684
Total RfR 1		109,628	62,830	46,798	
RfR 2: Conflict prevention					
Spending in Departmental Expenditure Limits (DEL)					
RfR 2 - B Global - Programme expenditure	50,240	1	-	1	50,241
Total RfR 2		1	-	1	
Total Changes to RfRs		109,629	62,830	46,799	

			£000
Capital and Cash	Present Provision	Change in Provision	New Provision
Total Capital Expenditure	118,203	19,323	137,526
Non-Operating A in A	10,000	-	10,000
Net cash requirement	1,789,376	66,122	1,855,498

Part II: Revised subhead detail including additional provision

Resources						Capital		£'000
1	2	3	4	5	6	7	8	
Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A	
RfR 1: Promoting intentionally the interests of the UK and contributing to a strong world community								
972,021	900,805	250,056	2,122,882	444,352	1,678,530	137,526	10,000	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Administration, programmes and international organisations subscriptions								
972,021	450,759	193,256	1,616,036	444,352	1,171,684	137,526	10,000	
B BBC World Service broadcasting								
-	215,043	-	215,043	-	215,043	-	-	
C British Council								
-	185,003	-	185,003	-	185,003	-	-	
D BBC World Service - Capital Grant								
-	-	31,000	31,000	-	31,000	-	-	
E British Council - Capital Grant								
-	-	7,800	7,800	-	7,800	-	-	
Spending in Annually Managed Expenditure (AME)								
<i>Central Government spending</i>								
F Administration, programmes and international organisations subscriptions								
-	50,000	-	50,000	-	50,000	-	-	
Non-Budget								
G Reimbursement of certain duties, taxes and licence fees								
-	-	18,000	18,000	-	18,000	-	-	
RfR 2: Conflict prevention								
-	-	256,161	256,161	-	256,161	-	-	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Sub-Saharan Africa - Programme expenditure								
-	-	4,510	4,510	-	4,510	-	-	
B Global - Programme expenditure								
-	-	50,241	50,241	-	50,241	-	-	
C Sub-Saharan Africa - Peacekeeping								
-	-	100,141	100,141	-	100,141	-	-	
D Global - Peacekeeping								
-	-	101,269	101,269	-	101,269	-	-	
Total for Estimate:								
972,021	900,805	506,217	2,379,043	444,352	1,934,691	137,526	10,000	

Part II: Resource to cash reconciliation

	Present	Increase (+)/ Decrease (-)	£'000 Revised
Net Resource Requirement	1,887,892	46,799	1,934,691
Voted capital items			
Capital	118,203	19,323	137,526
<i>Less:</i> Non-operating A in A	10,000	-	10,000
Total net voted capital	108,203	19,323	127,526
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-39,835	-	-39,835
Depreciation	-166,624	-	-166,624
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-260	-	-260
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-	-	-
Increase(-)/decrease (+) in creditors	-	-	-
Use of provisions	-	-	-
Total accruals to cash adjustments	-206,719	-	-206,719
Excess cash to be CFERd	-	-	-
Net Cash Requirement	1,789,376	66,122	1,855,498

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

	£'000
	2007-08 provision
Net Administration Costs	
RfR1	870,060
RfR2	-
Total Net Administration Costs	870,060
Net Programme Costs	
RfR1	806,070
RfR2	256,161
Non-voted expenditure	5,861
Total Net Programme costs	1,068,092
Total Net Operating Cost	1,938,152
<i>of which:</i>	
Net Resource Requirement	1,934,691
Non-voted expenditure	5,862
Consolidated Fund Extra Receipts	-2,401
Resource Budget	1,872,326

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2007-08 Provision
Net Resource Requirement (Estimates)	1,934,691
<i>Adjustments to remove:</i>	
provision voted for earlier years	-
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	5,862
Consolidated Fund extra receipts in the OCS	-2,401
Other adjustments	-
Net Operating Costs (Accounts)	1,938,152
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	-
capital grants	-55,227
European Union income related to capital grants	-
voted expenditure outside the budget	-18,000
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	2,401
resource consumption of non departmental public bodies	-
unallocated resource provision	5,000
Other adjustments	-
Resource Budget (Budget)	1,872,326
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	1,822,326
Annually Managed Expenditure (AME)	50,000

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2007-08 Provision
Net Voted Capital (Estimates)	127,526
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
capital spending by non departmental public bodies	-
capital grants	55,227
European Union income related to capital grants	-
supported capital expenditure (revenue)	-
capital spending by levy funded bodies	-
unallocated capital provision	-
Other adjustments	-
Capital Budget (Budget)	182,753
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	182,753
Annually Managed Expenditure (AME)	-

Notes to the Estimate (*continued*)

Explanation of Accounting Officer responsibilities

In accordance with the Government Resources and Accounts Act 2000 the Treasury has made the following Accounting Officer appointments for the Requests for Resources within this Estimate.

Request for Resources 1 Peter Ricketts, Permanent Head of the Department

Request for Resources 2 Peter Ricketts, Permanent Head of the Department

Peter Ricketts as the Accounting Officer of the Foreign and Commonwealth Office has personal responsibility for the proper presentation of the department's resource accounts as prescribed in legislation, or by the Treasury, and their transmission to the Comptroller and Auditor General. The AO as the permanent head, remains in general overall charge of the Foreign and Commonwealth Office.

The responsibilities of an Accounting Officer are set out in chapter 3 of Managing Public Money. In essence these responsibilities include a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the organisation's policies, aims, and objectives and should regularly review the effectiveness of that system.

Notes to the Estimate (*continued*)

Analysis of operating appropriations in aid (A in A)

£'000

2007-08
Provision

RfR 1: Promoting intentionally the interests of the UK and contributing to a strong world community

Administration	101,961
<i>of which:</i>	
Sale of goods and services	101,961
Programme	342,391
<i>of which:</i>	
Sale of goods and services	344,544
DFID payments to the Commonwealth Foundation	247
CFERs	-2,400
Other income (including receipts)	-
Total RfR1	444,352 †

† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: salary refunds of seconded diplomatic staff and locally engaged staff; the sale of information material, income from sub-letting and receipts from sales of surplus material and equipment; receipts at home and overseas for legalisation fees, telephone and postage recoveries, medical scheme recoveries, bank interest and other sundry receipts, repayment by locally engaged staff of loans for car purchase and medical and other assistance, receipts from Government Departments, receipts for visa, passport and other services provided at consular offices; Wilton Park executive agency receipts for related running costs from other customers and receipts from sales and rents, Hospitality Section, Conference and visits Group and Lancaster House receipts for related running costs from other customers, repayment of sums advanced to distressed British Nationals; repayments of defence assistance loans to Singapore and Malaysia, receipts from Sales into Wider Markets.

Total Operating A in A	444,352
-------------------------------	----------------

Analysis of non - operating appropriations in aid (A in A)

RfR 1: Promoting intentionally the interests of the UK and contributing to a strong world community

Administration	-
<i>of which:</i>	
Sale of assets	-
Programme	10,000
<i>of which:</i>	
Sale of assets	10,000
Total RfR1	10,000 †

† Amount that may be applied as non-operating appropriations in aid in addition to the net total arising from: the sale of land and buildings, receipts from the sale of official vehicles and receipts realised by the British Council.

Total Non - operating A in A	10,000
-------------------------------------	---------------

Notes to the Estimate (*continued*)

Departmental Expenditure Limits and Administration Budgets

	Change		New DEL		£'000
	Voted	Non-voted	Voted	Non-voted	Total
Resource DEL	30,122	-17,000	1,811,464	10,862	1,822,326
<i>of which:</i>					
<i>Administration budget †</i>	17,014	-17,000	870,060	-	870,060
<i>Near-cash in RDEL</i>	30,122	-17,000	1,654,745	10,862	1,665,607
Capital DEL ††	36,000	-1,000	182,753	-	182,753
Less Depreciation †††	-	-	-116,624	-	-116,624
Total	66,122	-18,000	1,877,593	10,862	1,888,455

† The total of 'Administration budget' and 'Near-cash in Resource DEL' figures may well be greater than total resource DEL, due to the definitions overlapping.

†† Capital DEL includes items treated as resource in Estimates and accounts but which are treated as Capital DEL in budgets.

††† Depreciation, which forms part of resource DEL, is excluded from total DEL since capital DEL includes capital spending and to include depreciation of those assets would lead to double counting.

Cash which may be retained to offset expenditure

£'000
454,352

Cash which may be retained by the department to offset expenditure in the year due to its relationship with income (operating and non-operating) that has been or will be appropriated in aid

Notes to the Estimate (*continued*)

Grants in Aid

RfR/Section	Body		£ '000
RfR1- B	BBC World Service Broadcasting	◆	246,043
RfR1 - C	British Council	◆	192,803
RfR1- A	Westminster Foundation for Democracy	◆	4,100

International subscriptions

RfR/Section	Body		£ '000
RfR1	UN Regular Budget		69,617
RfR1	Commonwealth Secretariat		4,180
RfR1	OECD		12,877
RfR1	Western European Union		1,645
RfR1	North Atlantic Treaty organisation (NATO)		17,399
RfR1	Council of Europe		19,408
RfR1	OSCE		3,297